



CITY OF BOSTON • MASSACHUSETTS

OFFICE OF THE MAYOR  
THOMAS M. MENINO

February 19, 2010

**TO THE CITY COUNCIL**

Dear Councilors:

I transmit herewith for your approval an Order authorizing the City of Boston's application to the Massachusetts Economic Assistance Coordinating Council for designation of Liberty Mutual's project site as an Economic Opportunity Area known as the Berkeley/Columbus Economic Opportunity Area (as described in the Order), for the Certified Project status of the Liberty Mutual project, comprising of City of Boston Assessing Parcels 05/01147/000, 05/01148/000 and 05/01149/000, located at 155 Columbus Avenue, 147 Berkeley Street, and 147 Columbus Avenue in the South Cove Urban Renewal Area of the City of Boston, and for approval of a Tax Increment Financing Plan, including a Tax Increment Financing Agreement regarding real estate taxes between the City of Boston and Liberty Mutual. Such designation and approval would allow the Liberty Mutual Group to receive an exemption on a portion of its real estate taxes for a new proposed development through a Tax Increment Finance ("TIF") Agreement and an investment tax credit against state taxes from the Commonwealth

Liberty Mutual plans to redevelop its recently acquired project site by proposing the development of a new building consisting of an approximately 580,000 square foot structure on the project site. Such redevelopment would be subject to all applicable regulations and approvals, including Article 80 Large Project Review under the City of Boston Zoning Code. The project site consists of the former Salvation Army property and the former Benjamin Franklin Smith Printing property and is located in the so-called Stuart Street Study Planning Area established in 2005 and the subject of the Stuart Street Planning Study, a Boston Redevelopment Authority ("BRA") sponsored planning initiative that commenced in 2007. Prior to this past year, the former Salvation Army property was exempt from real estate taxes due to the Salvation Army's exemption status.

Liberty Mutual projects that current cost estimates for such redevelopment would be approximately \$300 million. Liberty Mutual would commit to creating at least 600 new jobs over the life of a twenty year TIF agreement in addition to the approximately 745 new jobs that Liberty Mutual has created in Boston since 2004. In addition, the new development would generate, on average, approximately 500 construction jobs during the construction period. In addition to public benefits and other mitigation commitments that are associated with large projects, the new building would be considered a Development

Impact Project under the Boston Zoning Code and would be subject to linkage. Using today's rates and estimated square footage, the new development would generate approximately \$3,777,600.00 for the City's Neighborhood Housing Trust and \$753,600.00 for the jobs creation trust for a total of approximately \$4,531,200.00.

The new development would generate real estate taxes of approximately \$66.7 million. The TIF Agreement would provide Liberty Mutual a real estate tax exemption on a portion of the new development worth approximately \$16 million. The City would net approximately \$50.7 million in new real estate taxes.

The state incentives are necessary to provide Liberty Mutual the incentives to grow their headquarters in Boston. Liberty Mutual has alternatives to a Boston expansion at lower cost locations where they currently own. Such locations include modern office parks where Liberty Mutual already employs portions of its workforce and has additional room for expansion. Liberty Mutual has requested a TIF to assist them in maintaining and growing their headquarters in Boston instead of expanding their headquarters outside of the Commonwealth.

Approval of the attached Order would be one of the first steps of many necessary for this proposed development to proceed and I urge your Honorable Body to approve this Order at the earliest possible date.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Menino", with a horizontal line drawn above it.

Thomas M. Menino  
Mayor

**CITY OF BOSTON**  
**IN CITY COUNCIL**

**AN ORDER AUTHORIZING THE CITY OF BOSTON'S APPLICATION TO THE MASSACHUSETTS ECONOMIC DEVELOPMENT ASSISTANCE COORDINATING COUNCIL FOR THE CREATION OF AN ECONOMIC OPPORTUNITY AREA COMPRISED OF THREE PARCELS (PID 05/01147/000, 05/01148/000 AND 05/01149/000) TOTALING APPROXIMATELY 34,173 SQUARE FEET, BORDERED GENERALLY BY COLUMBUS AVENUE TO THE SOUTH, STUART STREET AND 330 STUART STREET TO THE NORTH, BERKELEY STREET TO THE WEST AND THE PROPERTY HAVING AN ADDRESS OF 139 COLUMBUS AVENUE TO THE EAST (KNOWN AS THE "BERKELEY/COLUMBUS ECONOMIC OPPORTUNITY AREA")**

**ORDERED:** That pursuant to St 1993, c. 19 and G L. c. 54A (as amended by St 2009, c. 166), the Berkeley/Columbus Economic Opportunity Area application to the Massachusetts Economic Assistance Coordinating Council attached hereto be and the same hereby is, approved; and

**BE IT FURTHER ORDERED,** that a Tax Increment Financing Plan for the Liberty Mutual Project, including as part thereof, a Tax Increment Financing Agreement attached hereto be and the same hereby is approved.

**I HEREBY CERTIFY THAT  
THE FOREGOING, IF PASSED IN  
THE ABOVE FORM, WILL BE IN  
ACCORDANCE WITH LAW.**

  
**WILLIAM F. SINNOTT  
CORPORATION COUNSEL SPN**